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AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
BY DEPUTY

THE HONORABLE JAMES L. ROBERT

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AUG - 6 2007

AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
BY DEPUTY

UNITED STATES DISTRICT COURT

WESTERN DISTRICT OF WASHINGTON

In re WATCHGUARD SECURITIES
LITIGATION

Master File No. 2:05-cv-00678-JLR

CLASS ACTION

This Document Relates To:

ALL ACTIONS.

~~PROPOSED~~ FINAL JUDGMENT AND
ORDER OF DISMISSAL WITH PREJUDICE

jer



05-CV-00678-JGM

[PROPOSED] FINAL JUDGMENT AND ORDER
OF DISMISSAL (2:05-cv-00678-JLR)

Lerach Coughlin Stoia Geller Rudman & Robbins LLP
655 West Broadway, Suite 1900
San Diego, CA 92101
Telephone: 619/231-1058 • Fax: 619/231-7423

1 This matter came before the Court for hearing pursuant to an Order of this Court, dated May
2 25, 2007, on the application of the Settling Parties for approval of the settlement set forth in the
3 Stipulation of Settlement dated as of March 26, 2007 (the "Stipulation"). Due and adequate notice
4 having been given of the settlement as required in said Order, and the Court having considered all
5 papers filed and proceedings held herein and otherwise being fully informed in the premises and
6 good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

7 1. This Judgment incorporates by reference the definitions in the Stipulation, and all
8 terms used herein shall have the same meanings as set forth in the Stipulation.

9 2. This Court has jurisdiction over the subject matter of the Litigation and over all
10 parties to the Litigation, including all Members of the Settlement Class.

11 3. Except as to any individual claim of those Persons (identified in Exhibit 1 attached
12 hereto) who have validly and timely requested exclusion from the Settlement Class, the Litigation
13 and all claims contained therein, including all of the Released Claims, are dismissed with prejudice
14 as to the Lead Plaintiff and the Members of the Settlement Class, and as against each and all of the
15 Released Persons. The parties are to bear their own costs, except as otherwise provided in the
16 Stipulation.

17 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby
18 approves the settlement set forth in the Stipulation and finds that said settlement is, in all respects,
19 fair, reasonable and adequate to, and is in the best interests of, the Lead Plaintiff, the Settlement
20 Class and each of the Settlement Class Members. This Court further finds the settlement set forth in
21 the Stipulation is the result of arm's-length negotiations between experienced counsel representing
22 the interests of the Lead Plaintiff, the Settlement Class Members and the Defendants. Accordingly,
23 the settlement embodied in the Stipulation is hereby approved in all respects and shall be
24 consummated in accordance with its terms and provisions. The Settling Parties are hereby directed
25 to perform the terms of the Stipulation.
26

1 5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court hereby
2 certifies, for purposes of effectuating this settlement, a Settlement Class of all Persons who
3 purchased WatchGuard common stock between February 12, 2004 and March 15, 2005, inclusive.
4 Excluded from the Settlement Class are Defendants and their Related Parties. Also excluded from
5 the Settlement Class are those Persons who timely and validly requested exclusion from the
6 Settlement Class pursuant to the Notice of Pendency and Proposed Settlement of Class Action.

7 6. With respect to the Settlement Class, this Court finds for the purposes of effectuating
8 this settlement that: (a) the Members of the Settlement Class are so numerous that joinder of all
9 Settlement Class Members in the Litigation is impracticable; (b) there are questions of law and fact
10 common to the Settlement Class which predominate over any individual questions; (c) the claims of
11 the Lead Plaintiff are typical of the claims of the Settlement Class; (d) the Lead Plaintiff and Lead
12 Counsel have fairly and adequately represented and protected the interests of all of the Settlement
13 Class Members; and (e) a class action is superior to other available methods for the fair and efficient
14 adjudication of the controversy, considering: (i) the interests of the Members of the Settlement Class
15 in individually controlling the prosecution of the separate actions; (ii) the extent and nature of any
16 litigation concerning the controversy already commenced by Members of the Settlement Class; (iii)
17 the desirability or undesirability of continuing the litigation of these claims in this particular forum;
18 and (iv) the difficulties likely to be encountered in the management of the Litigation.

19 7. Upon the Effective Date, the Lead Plaintiff and each of the Settlement Class
20 Members shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and
21 forever released, relinquished and discharged all Released Claims against the Released Persons,
22 whether or not such Settlement Class Member executes and delivers a Proof of Claim and Release
23 form.

24 8. All Settlement Class Members are hereby forever barred and enjoined from
25 prosecuting the Released Claims against the Released Persons.
26

1 9. Upon the Effective Date hereof, each of the Released Persons shall be deemed to
 2 have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished
 3 and discharged each and all of the Settlement Class Members and Lead Counsel from all claims
 4 (including Unknown Claims) arising out of, relating to, or in connection with, the institution,
 5 prosecution, assertion, settlement or resolution of the Litigation or the Released Claims.

6 10. The distribution of the Notice of Pendency and Proposed Settlement of Class Action
 7 and the publication of the Summary Notice, as provided for in the Order Preliminarily Approving
 8 Settlement and Providing for Notice, constituted the best notice practicable under the circumstances,
 9 including individual notice to all Members of the Settlement Class who could be identified through
 10 reasonable effort. Said notice provided the best notice practicable under the circumstances of those
 11 proceedings and of the matters set forth therein, including the proposed settlement set forth in the
 12 Stipulation, to all Persons entitled to such notice, and said notice fully satisfied the requirements of
 13 Federal Rule of Civil Procedure 23, the requirements of due process, and any other applicable law.

14 11. Any plan of allocation submitted by Lead Counsel or any order entered regarding the
 15 attorneys' fee and expense application shall in no way disturb or affect this Final Judgment and shall
 16 be considered separate from this Final Judgment.

17 12. Neither the Stipulation nor the settlement contained therein, nor any act performed or
 18 document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be
 19 deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim,
 20 or of any wrongdoing or liability of the Defendants; or (b) is or may be deemed to be or may be used
 21 as an admission of, or evidence of, any fault or omission of any of the Defendants in any civil,
 22 criminal or administrative proceeding in any court, administrative agency or other tribunal.
 23 Defendants may file the Stipulation and/or the Judgment in any other action that may be brought
 24 against them in order to support a defense or counterclaim based on principles of *res judicata*,
 25 collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of
 26 claim preclusion or issue preclusion or similar defense or counterclaim.

1 13. Without affecting the finality of this Judgment in any way, this Court hereby retains
2 continuing jurisdiction over: (a) implementation of this settlement and any award or distribution of
3 the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund;
4 (c) hearing and determining applications for attorneys' fees and expenses in the Litigation; and (d)
5 all parties hereto for the purpose of construing, enforcing and administering the Stipulation.

6 14. The Court finds that during the course of the Litigation, the Settling Parties and their
7 respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure
8 11.

9 15. In the event that the settlement does not become effective in accordance with the
10 terms of the Stipulation or the Effective Date does not occur, or in the event that the Settlement
11 Fund, or any portion thereof, is returned to the Defendants, then this Judgment shall be rendered null
12 and void to the extent provided by and in accordance with the Stipulation and shall be vacated and,
13 in such event, all orders entered and releases delivered in connection herewith shall be null and void
14 to the extent provided by and in accordance with the Stipulation.

15 IT IS SO ORDERED.

16 DATED: Aug 6, 2007


THE HONORABLE JAMES L. ROBART
UNITED STATES DISTRICT JUDGE

18 Submitted by,

19 LERACH COUGHLIN STOIA GELLER
20 RUDMAN & ROBBINS LLP
21 JOY ANN BULL

22 s/ Joy Ann Bull
23 JOY ANN BULL

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joyb@lerachlaw.com

[PROPOSED] FINAL JUDGMENT AND ORDER
OF DISMISSAL (2:05-cv-00678-JLR)

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16 415/288-4534 (fax)

17 Lead Counsel for Plaintiffs

18 VANOVERBEKE MICHAUD
19 & TIMMONY, P.C.
20 MICHAEL J. VANOVERBEKE
21 THOMAS C. MICHAUD
22 79 Alfred Street
23 Detroit, MI 48201
24 Telephone: 313/578-1200
25 313/578-1201 (fax)

26 Additional Counsel for Plaintiffs

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[PROPOSED] FINAL JUDGMENT AND ORDER
OF DISMISSAL (2:05-cv-00678-JLR)

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Telephone: 619/231-1058 • Fax: 619/231-7423

"WGRD1-
EXCL00001"

6/24/2007

From:
Nelson B. Davis

Ph:
Email:

To:
WatchGuard Securities Litigation
Claims Administrator
C/O Giliardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

Dear Sirs,

Please exclude me from
"In re WatchGuard Securities Litigation, Master File No. 2:05-cv-00678-JLR "

I ask to be excluded because, according to the information sent to me, my claim per share under the proposed settlement would be \$0 per share.

Here are my purchases and sales of WatchGuard common stock between February 12, 2004 and March 15, 2005.

11/17/2004	Bought	2000 sh. WatchGuard,	total purchase price = \$8791
12/31/2004	Bought	2000 sh. WatchGuard,	total purchase price = \$8956
3/3/2005	Sold	2000 sh. WatchGuard,	total sales price = \$6889
3/4/2005	Sold	2000 sh. WatchGuard,	total sales price = \$6892

Also, at the close of trading on March 15, 2005, I held or owned 0 shares of WatchGuard common stock.

Sincerely,

Nelson B. Davis

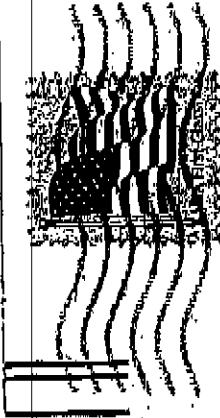
6/24/2007

Nelson Davis
B.

Exhibit 1

SEATTLE WA 981

25 JUN 2007 PM 6 L



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JUL 03 2007
CLAIMS CENTER

WatchGuard Securities Litigation
Claims Administrator
c/o Gardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

WGRD1



CERTIFICATE OF SERVICE

I hereby certify that on July 30, 2007, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I have mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on July 30, 2007.

s/ Joy Ann Bull
JOY ANN BULL

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Mailing Information for a Case 2:05-cv-00678-JLR

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Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

- (No manual recipients)